

Friday, May 6, 2011

Gabriel Hurley
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Canada

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

*Re: Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer
Control of Licenses and Authorizations
WT Docket No. 11-65*

Dear Ms. Dortch,

I am writing to strongly oppose the acquisition of T-Mobile USA by AT&T. If the acquisition goes ahead, AT&T will be the only national GSM wireless provider in the United States and will hold 41.6% of US wireless market share.¹ This will result in a drop in competition, not the least because users of GSM phones will not have any option to transfer their phones to another carrier, as the other major carriers in the United States use CDMA technology.

An example of this effect can be seen in Canada, which has only one national GSM carrier and two national CDMA carriers (much like the USA would have if AT&T acquires T-Mobile.) Before 2004, Canada had two GSM providers: Fido (also known as Microcell) and Rogers. After Rogers acquired Microcell in 2004, competition was dramatically decreased and the price of mobile service in Canada skyrocketed. In fact, Canada now has the most expensive mobile service in the world.² Rogers still operates Fido as a separate brand, but the competition is gone.

A quick illustration of this increase in costs: In 2003, the Anytime rate for Fido prepaid service was 15 cents per minute.³ In 2011 it is now 30 cents per minute. If the costs had grown at the rate of inflation, service *would have been only 17 cents per minute* in 2011.⁴

The best way to keep prices down is to ensure competition. AT&T might offer an agreement-to-keep-prices-low as some sort of concession for the acquisition. In reality, such a promise would be difficult to enforce. If you want to keep mobile prices low, halt the acquisition. Do not make the same mistake that Canada made.

Yours Sincerely,

Gabriel Hurley

1 Calculated from market share percentages at <http://www.gao.gov/new.items/d10779.pdf>

2 http://oti.newamerica.net/publications/policy/an_international_comparison_of_cell_phone_plans_and_prices

3 Archive of Fido website at
<http://replay.web.archive.org/20031203205235/http://www.fido.ca/portal/en/packages/prepaid.shtml>

4 Computed using the inflation calculator at http://www.bankofcanada.ca/en/rates/inflation_calc.html